



STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

JOHN D. CHERRY, JR.
LT. GOVERNOR

September 30, 2010

Michigan House of Representatives
State Capitol
Lansing, Michigan 48933

Ladies and Gentlemen:

Today I have signed Enrolled House Bill 5884 providing over \$1.2 billion in appropriations for the Department of Energy, Labor, and Economic Growth for the fiscal year ending September 30, 2011. I have, however, disapproved items pursuant to Section 19 of Article V of the Michigan Constitution of 1963. The item vetoes are detailed in the attached copy of the bill, which has been filed with the Secretary of State.

I have disapproved proposed appropriations totaling \$355,000 for an occupational safety training grant, an allocation for the Michigan After-School Partnership, and two workforce development grants under Sections 342, 704, 719, and 818 of the bill. These earmarks would undermine the Department's competitive process for awarding grants and impede the prioritization of workforce training funds needed to help improve the job skills of displaced workers.

To provide direction regarding the implementation of this appropriations act, I note the following:

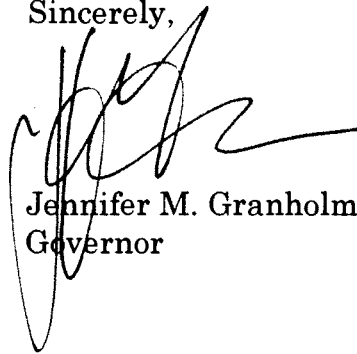
- Consistent with my duty to assure that laws are faithfully executed under Section 8 of Article V of the Michigan Constitution of 1963, when a governor is concerned that a provision in an appropriations bill is unconstitutional, it is appropriate to express that concern. See, for example, OAG, 2009-2010, No 7225 (February 27, 2009). A governor has no less a solemn obligation than does the judiciary to consider the constitutionality of his or her every act. Accordingly, to the extent that Section 341 of the bill modifies or amends the provisions of the Michigan Occupational Safety and Health Act, 1974 PA 154, MCL 408.1001 to 408.1094, this section is in contravention of Section 25 of Article IV of the Michigan Constitution of 1963 and unenforceable.
- Section 332 of the bill requires the department to complete a contracting process related to the unemployment insurance computer system by April 11, 2011. This condition cannot be imposed on the department given that existing law vests

Michigan House of Representatives
September 30, 2010
Page 2

such procurement authority in the Department of Technology, Management and Budget.

I thank the Legislature for its work on this budget for the Department of Energy, Labor, and Economic Growth.

Sincerely,

A handwritten signature in black ink, appearing to be 'J. Granholm', written over the printed name.

Jennifer M. Granholm
Governor

c: Michigan Senate
The Honorable Terri Lynn Land, Secretary of State

Sec. 340. MIOSHA shall provide an annual report by February 1 of each year to the state budget director, the fiscal agencies, and the subcommittees on the number of individuals killed and the number of individuals injured on the job within industries regulated by the bureau during the most recent year for which data are available.

Sec. 341. (1) Of the funds appropriated in part 1, no funds shall be used to support the development of, staffing of, or activities promoting the development of guidelines, rules, standards, protocols, or other similar mandates that are more stringent than federal voluntary ergonomics guidelines. This section does not prohibit any person from adopting, or working with the state to develop, voluntary ergonomics standards.

(2) On March 1 and September 1 of each year, the department shall provide a report to the fiscal agencies and subcommittees of any staffing time or activities regarding the development of a voluntary or mandatory, or both, ergonomic standard, whether contained in rules, guidelines, policy directives, or bulletins.

(3) The directions in this section are given in accordance with OAG, 2009, No. 7,225 (February 27, 2009).

~~Sec. 342. From the funds appropriated in part 1 for Michigan occupational safety and health consultation education and training (CET) grants, not less than \$80,000.00 shall be allocated to nonprofit organizations representing the aggregate industry in Michigan.~~ *my* *my*

Sec. 350. In addition to the funds appropriated in part 1, funds collected by the department under sections 55, 57, 58, and 59 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.255, 24.257, 24.258, and 24.259, and section 203 of the legislative council act, 1986 PA 268, MCL 4.1203, are appropriated for all expenses necessary to provide for the cost of publication and distribution. The funds appropriated under this section are allotted for expenditure when they are received by the department of treasury and shall not lapse to the general fund at the end of the fiscal year.

Sec. 361. (1) The public service commission shall implement a process for the low-income energy efficiency fund grants that shall require an application deadline of May 1 and the award announcements on October 1 of each year.

(2) The public service commission shall report by November 1 to the subcommittees, the state budget office, and the fiscal agencies on the distribution of funds appropriated in part 1 for the low-income/energy efficiency assistance program.

(3) The funds collected from public utilities for low-income energy efficiency fund grants as provided under orders issued by the public service commission pursuant to 1939 PA 3, MCL 460.1 to 460.11, that are unexpended at the end of the fiscal year may carry forward to the subsequent fiscal year.

Sec. 368. No later than March 1, the department shall submit a report to the state budget office, the fiscal agencies, and the subcommittees, providing expenditure and revenue data and statistical data on licensing and regulatory activities of the bureau of commercial services and the bureau of construction codes during the previous fiscal year. To the extent possible, the data required shall be reported for each individual occupation, trade, or industry regulated.

Sec. 370. (1) Local units of government receiving liquor law enforcement grant funds in accordance with section 543 of the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1543, shall submit a report to the liquor control commission detailing the expenditures made by the local unit in enforcing the Michigan liquor control code of 1998, 1998 PA 58, MCL 436.1101 to 436.2303, and rules promulgated under that act. Local units shall also provide a report to the liquor control commission listing, for the local unit's most recently completed fiscal year, each liquor-related fee imposed by the local unit and the amount of revenue generated by each fee. Both reports required by this section shall be due to the liquor control commission not later than February 15.

(2) The liquor control commission shall provide a standard template for use by the local units of government when submitting a report to the commission.

(3) The liquor control commission shall provide a summary of the local reports to the house and senate chairpersons of the subcommittees, the fiscal agencies, and the state budget director by March 31.

Sec. 371. (1) From the funds appropriated in part 1 for liquor licensing and enforcement, the liquor control commission shall coordinate its investigation and enforcement activities concerning the illegal sale, delivery, and importation of spirits with the investigation and enforcement activities of the department of state police concerning tobacco taxes and other illegal cash transactions.

(2) The commission shall provide an annual report to the subcommittees, the fiscal agencies, and the state budget office summarizing its investigation and enforcement activities concerning the illegal sale, delivery, and importation of spirits. As the commission considers appropriate, the report may include information concerning the number and value of products seized, the number of arrests, the amount of penalties imposed, and the amount of additional taxes imposed and collected.

affects a library cooperative or district library that is a regional or subregional library's fiscal agency or a reduction in expenditures for the regional or subregional library's fiscal agency, a reduction in expenditures for the regional or subregional library shall not be interpreted as a reduction in local support and shall not disqualify a regional or subregional library from receiving state aid under part 1.

Sec. 615. The department may provide and enter into agreements to provide general services, training, meetings, information, special equipment, software, facility use, and technical consulting services to other principal executive departments, state agencies, local units of government, the judicial branch of government, other organizations, and patrons of department facilities. The department may charge fees for these services that are reasonably related to the cost of providing the services. In addition to the funds appropriated in part 1, funds collected by the department for these services are appropriated for all expenses necessary. The funds appropriated under this section are allotted for expenditure when they are received by the department of treasury.

CAREER EDUCATION

Sec. 701. From the appropriations in part 1, the department is appropriated an amount not to exceed \$100,000.00 from collection of defaulted loans under the future faculty program in the Martin Luther King, Jr. - Cesar Chavez - Rosa Parks programs to offset costs of administering the loan collections.

~~Sec. 704. (1) The department shall collaborate with the state board of education, the department of human services, and the department of community health, to extend the duration of the Michigan after-school partnership, and oversee its efforts to implement the policy recommendations and strategic next steps identified in the Michigan after-school initiative's report of December 15, 2008.~~

~~(2) From the funds appropriated in part 1, \$25,000.00 may be used to support the Michigan after-school partnership. Funds shall be used to leverage other private and public funding to engage the public and private sectors in building and sustaining high quality out-of-school time programs and resources. The co chairs, representing the department, the state board of education, the department of human services, and the department of community health shall name a fiduciary agent and may authorize the fiduciary to expend funds and hire people to accomplish the work of the Michigan after-school partnership.~~

~~(3) Participation in the Michigan after-school partnership shall be expanded beyond the membership of the initial Michigan after-school initiative to increase the representation of parents, youth, foundations, employers, and others with experience in education, child care, after school and youth development services, and crime and violence prevention, and to include representation from the department. Each year, on or before December 31, the Michigan after-school partnership shall report its progress in reaching the recommendations set forth in the Michigan after-school initiative's report to the legislature and governor.~~

Sec. 710a. From the funds appropriated in part 1 for workforce programs subgrantees, the department may allocate funding for grants to nonprofit organizations that offer programs to WIA-eligible youth focusing on entrepreneurship, work-readiness skills, job shadowing, and financial literacy. Organizations eligible for funding under this section must have the capacity to provide similar programs in urban areas, as determined by the United States bureau of the census according to the most recent federal decennial census. Additionally, programs eligible for funding under this section must include the participation of local business partners. The department shall develop other appropriate eligibility requirements to ensure compliance with applicable federal rules and regulations.

~~Sec. 719. From the funds appropriated in part 1, the department may allocate no more than \$100,000.00 for the Michigan talent bank for a customized career center. The career center will be used to enhance the Michigan talent bank for job seekers and job providers and to increase the opportunities for job seekers in gaining employment. The career center shall use real-time data for job opportunities and shall use technology that will also provide users with job opportunities that match a job seeker's resume. The center shall be serviced by a Michigan-based customer service center and shall also contain a mobile component to allow for job searches on personal digital assistance or smart phone devices.~~

Sec. 733. The department shall publish the "activities classification structure data book" for Michigan community colleges on or before March 1.

Sec. 734. The department shall compile the information received from community colleges on North American Indian tuition waivers granted pursuant to 1976 PA 174, MCL 390.1251 to 390.1253, and shall submit this compilation to the house and senate appropriations subcommittees on community colleges, the fiscal agencies, and the state budget director by February 15.

Sec. 812. (1) In addition to the funds appropriated in part 1, any unencumbered and unrestricted federal workforce investment act or trade adjustment assistance funds available from prior fiscal years are appropriated for the purposes originally intended.

(2) The department shall report by January 15 to the subcommittees, the fiscal agencies, and the state budget office on the amount by fiscal year of federal workforce investment act funds appropriated under this section.

Sec. 813. Of the funds appropriated in part 1 for workforce training program subgrantees, up to \$200,000.00 shall be allocated for grants to 2 workforce development programs, meeting the following criteria:

(a) Up to \$100,000.00 shall be allocated to 1 nonprofit organization to expand an existing innovative, employer-led, public/private workforce development program. Grant funds may be used for program operating expenses such as staffing, rent, equipment, and other expenses. To be eligible for funding under this subdivision, a program must meet the following criteria:

(i) Provide program participants with early intervention services that promote employment stabilization and alleviate barriers to job attainment, retention, or advancement, including assistance with transportation, language barriers, child care, housing, and facilitating access to services available through public agencies and community-based organizations.

(ii) Provide program participants with training in basic job skills, basic life skills, and career exploration.

(iii) Provide program participants with opportunities for advancement within the network of partnering employers by facilitating incumbent worker training programs.

(iv) Demonstrate a quantifiable return on investment for participating employers, as evidenced by costs savings achieved through pooled training/workforce development activities, and increases in employee retention, attendance, satisfaction, and productivity.

(v) Have a regional impact across more than 3 counties.

(b) Up to \$100,000.00 shall be allocated to 1 nonprofit organization to expand an existing workforce development program operated collaboratively with local businesses and educational institutions to link unemployed and dislocated workers with new market industries and to spur the development of small businesses. To be eligible for funding under this subdivision, a program must meet the following criteria:

(i) Provide low-wage, unemployed, and dislocated workers assistance in developing career pathways that provide education and career options for program participants to meet the workforce needs of new markets and in-demand occupations.

(ii) Provide educational programs and seminars that provide an introduction to the values and basic entrepreneurial skills necessary to successfully start a new business.

(iii) Provide programs that provide business incubation and support services, including entrepreneurial education and access to capital.

(iv) Provide program participants with job placement assistance, including on-the-job training, apprenticeships, and internships.

Sec. 815. Local Michigan works! agencies may utilize a portion of the funds received under part 1 for services provided by local libraries that serve as access points, service centers, or local partners serving high-demand service areas or underserved areas.

Sec. 816. From the funds appropriated in part 1 in the line item for workforce training programs subgrantees, not less than \$5,860,200.00 of federal funds shall be allocated to Focus: HOPE.

Sec. 817. It is the intent of the legislature that a portion of the workforce investment act, statewide activities funds be allocated to support coordinated efforts between local Michigan works! agencies and police and sheriff departments to create programs that offer gang diversion activities and support services to at-risk youth in Wyoming, Benton Harbor, Saginaw, Mt. Morris Charter Township, and Detroit.

~~Sec. 818. From the funds appropriated in part 1 for workforce training program subgrantees, \$150,000.00 may be allocated for not more than 1 grant for a job training and job preparation program that meets the following criteria:~~ *my*

~~(a) Involves prospective employers as community partners.~~ *my*

~~(b) Retrains displaced workers for health care industry jobs including pharmacy technician and medical coding in programs that require participants to complete at least 90 hours of field experience.~~ *my*

~~(c) Provides training at either no cost to participants or at a cost to participants of not more than 25% of the per student cost of offering the training program.~~ *my*

~~(d) Demonstrates a placement rate of 80% or more.~~ *my*

